

THE ANNUAL REPORT OF THE REMUNERATION COMMITTEE OF THE TELFORD COLLEGE CORPORATION 2021/22

1. Introduction

The purpose of the Remuneration Committee is to advise the Corporation on the remuneration and terms and conditions of employment of the college's senior post holders. The senior post holders at Telford College are the:

- Principal & Chief Executive;
- Deputy Chief Executive (titled changed from Deputy Principal during 2021/22); and
- Clerk to the Corporation

The members of the Remuneration Committee are taken from members of the Telford College Corporation (with the exception of the Principal, staff governors and student governors). At the time of writing, the members of the committee are L.Biffin, P.Birch, G.Bleasby and R.Matthews.

L.Biffin, as Vice Chair of the Corporation, is the Chair of the Remuneration Committee. The committee's membership and its chairing arrangements are reviewed and approved annually by the Corporation. The Remuneration Committee last met on 01 November 2022.

2. Strategic objectives

Telford College's key strategic objectives, from the Strategic Plan 2021-26, are as follows:

- **Students/People:** We will maximise opportunities for students through flexible and blended learning strategic, to develop skills and achieve aspirations
- **Skills/Productivity:** We will support employers to drive business change, innovation and investment, and we will make a major contribution to the economic success of The Marches area and the West Midlands
- **Community/Place:** We will foster healthy and connected communities, and we will provide our staff with the opportunity to develop their skills and careers
- **Financial:** We will embed financial sustainability by taking advantage of new opportunities and remaining efficient in the use of our resources

3. Approach to remuneration

The recruitment of senior post holders, in particular members of the Executive Leadership Team (ELT), is a competitive market. This was made even more complex at the time of the recruitment to the positions of Principal/CEO and Deputy CEO (then known as the Chief Operating Officer) by the challenges faced by Telford College and the scrutiny the college was under. Advice regarding salary was taken from the recruitment firm hired to support the senior post holder recruitment processes in February 2017 and May 2017 in the context of the recovery required, the seniority of the positions and the market at the time of advertising.

With regards to remuneration, the Corporation acknowledges there is a balance to be struck between recruiting, retaining and rewarding the best staff possible, to deliver the best outcomes for students, society and the economy, whilst demonstrating effective use of resources. With this in mind, a number of factors are taken into consideration when setting the remuneration of senior post holders – economic factors, competition, market rates, the role and the skills, experience and individual performance of a candidate/senior post holder.

There may be occasions where senior post holders are asked to undertake work outside their college roles. Where this is the case, there will be clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity, particularly in respect of full-time post holders.

At this point, there is no performance-related pay or rewards scheme in place for senior post holders. The benefits received are similar to that of all staff members, including the option to be part of the appropriate pension scheme – the Teaching Pension Scheme or the Local Government Pension Scheme.

There were no changes in senior post holders during the 2020/21 academic year. The Clerk to the Corporation left the organisation on 31 August 2022; therefore, there will be an appointment to the role during 2022/23.

4. Institutional performance

Over the academic year 2021/22

- Ofsted confirmed Telford College was 'Good' following its inspection in February 2022
- Financial health for the year was confirmed as 'Outstanding' by the ESFA for a second year
- Collaboration and influence at local and regional level continued to improve through collaborative projects (the Station Quarter and Strategic Development Fund); membership on the Telford Towns Fund Board, Telford Business Board and Marches LEP; and working with the West Midlands Combined Authority and Colleges West Midlands

5. Executive pay

A summary of the total remuneration for the Principal & Chief Executive over the past three years is shown below (expenses rounded to the nearest £).

Emoluments of the Principal/CEO					
	2017/18	2018/19	2019/20	2020/21	2021/22
Salary	£150,000	£150,000	£150,000	£150,000	£150,000
Performance-related pay	Nil	Nil	Nil	Nil	Nil
Benefits	Nil	Nil	Nil	Nil	Nil
Expenses incurred	Nil	£1,914	£1,357	£97	£721
TOTAL	£150,000	£151,914	£151,357	£150,097	£150,721

The following table takes data from the Association of College's Senior Pay Surveys for 2018, 2019, 2020 and 2021, which were published in March 2019, May 2020, April 2021 and May 2022 respectively. It shows the median salaries both nationally and from across comparator groups for Telford College.

AOC Senior Pay Survey 2021												
Comparator group	Lower quartile				Median				Upper quartile			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Overall salary levels for Principals/CEOs	£119,570	£120,000	£120,313	£124,965	£135,000	£139,091	£140,000	£140,299	£151,500	£155,000	£152,505	£157,617
College income £20m to £25m	£127,500	£125,000	£130,333	£130,975	£135,000	£130,000	£136,350	£136,198	£140,000	£135,000	£142,380	£140,350
West Midlands location	£128,045	£138,505	£98,326	£103,522	£150,750	£156,487	£146,450	£146,450	£158,125	£177,259	£158,475	£160,000
Overall GFE college	£121,200	£120,000	£121,519	£124,930	£136,666	£139,046	£139,091	£140,000	£150,000	£150,000	£150,000	£154,399
GFE college income £20m to £25m	£129,043	£124,000	£130,047	£130,650	£135,000	£129,802	£135,763	£136,000	£140,000	£135,000	£140,000	£139,533

The salary of the Principal & Chief Executive at Telford College:

- Is closer to the upper quartile figure for all Principals/CEOs than the median quartile
- Is above the upper quartile figure for colleges with a similar income to Telford College
- Is mid-way between the median and upper quartile figures for colleges in the West Midlands
- Is approximately in line with the upper quartile for general FE colleges
- Is above the upper quartile figure for general FE colleges with a similar income level to Telford College

As outlined in Section 2 of this report, the salary was set at this level, using professional advice, to not only respond to the FE Executive recruitment market but also reflect the challenges facing the college at that time.

The current value of the pay multiple of the Principal & Chief Executive's earnings against the median of all staff, compared to previous years is as follows:

Median pay multiple				
Year	No of employees	Total salaries	Median salary	Pay multiple
As at 31 July 2019	410	£9,650,855.77	£20,940.00	7.16
As at 31 July 2020	425	£9,997,548.66	£21,444.45	6.99
As at 31 July 2021	403	£10,074,274.75	£23,693.00	6.33
As at 31 July 2022	405	£10,343,125.12	£25,670.66	5.84

Please note:

- the median pay multiple has been calculated based on actual salaries, rather than FTE salaries. Casual (zero-hours) employees have been excluded from the calculation and the figures are net of any employer contributions